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RUEHML/AMEMBASSY MANAGUA PRIORITY 0173
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RUEHME/AMEMBASSY MEXICO PRIORITY 0074
RUEHOU/AMEMBASSY OUAGADOUGOU PRIORITY 0080
RUEHZP/AMEMBASSY PANAMA PRIORITY 0138
RUEHPU/AMEMBASSY PORT AU PRINCE PRIORITY 0087
RUEHSA/AMEMBASSY PRETORIA PRIORITY 0128
RUEHSJ/AMEMBASSY SAN JOSE PRIORITY 0162
RUEHSN/AMEMBASSY SAN SALVADOR PRIORITY 0264
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C O N F I D E N T I A L SECTION 01 OF 04 TAIPEI 000238

SIPDIS

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TAGS: [PREL](#) [PGOV](#) [CH](#) [TW](#)

SUBJECT: FM HUANG ON TAIWAN FOREIGN RELATIONS, UN REFERENDA

Classified By: AIT Director Stephen M. Young. Reason(s):
1.4 (B/D)

¶1. (C) Summary. Fm James Huang is generally upbeat on the status of Taiwan's relations with most of its twenty-four remaining diplomatic partners, with the exception of Panama. It is "just a matter of time" before Panama switches to Beijing, he told the Director, lamenting China's "imperial" ambitions in Central America. Huang also predicted Beijing would continue trying to strip away Taiwan's remaining allies after a new president takes office in May. Finally, Huang expressed hope that a compromise third UN referendum acceptable to the U.S. can be reached, to which the Director reiterated U.S. concern over this issue's damaging effect on cross-Straits stability. End Summary.

¶2. (C) FM James Huang invited the Director to a working breakfast on February 20. Huang was accompanied by MOFA North American Affairs Director-General Leo Lee, while AIT Deputy Director Wang and POL Chief Huskey accompanied the Director.

Foreign Relations Update: Africa . . .

¶3. (C) The Director asked FM Huang about his unpublicized visit to Africa last week and how Taiwan relations on the continent stand in the aftermath of the Malawi shift in

relations to Beijing. Huang explained that he had transitted Dubai and visited Libya to formally open the new Taiwan trade office in Tripoli. He met with Gaddafi's son but had been unable to meet with Gaddafi himself. Huang said he found Tripoli little changed and with few visible lifestyle improvements from his earlier visits, noting he had urged his hosts to consider a comprehensive development plan for Tripoli, the most effective way to ensure effective urban development.

¶4. (C) Huang told the Director that Taiwan's relations with its four remaining diplomatic partners in Africa -- Sao Tome and Principe, Gambia, Burkina Faso, and Swaziland -- are generally stable. He noted that the president of Sao Tome and Principe will attend the presidential inauguration in May.

. . . Central America

¶5. (C) Huang told the Director that he is most worried about Panama. "To be very frank with you," he said, "it is just a matter of time." China and Panama appear already to have some sort of consensus on establishing relations, with the main sticking point being timing. Huang noted, however, that President Torrijos had indicated he will honor his promise to President Chen to maintain relations as long as Chen is president.

¶6. (C) The Director asked whether Costa Rica's switch in relations last fall, or a possible change by Panama, might influence other Central American nations to follow suit.

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Huang acknowledged this possibility, pointing out that the Central American leaders meet regularly, and often discuss the Taiwan-PRC relations issue. Costa Rica, however, had failed to create a domino effect, he said, because President Arias is not popular in the region, where he is widely viewed as arrogant, particularly since receiving the 1987 Nobel Peace prize. Still, Arias is lobbying his neighbors to follow suit and recognize Beijing, both at the behest of Beijing and to corroborate his own policy decision. While Beijing often does not honor its promises of assistance, Huang rued, Costa Rica may prove lucky, because Beijing must follow through with Costa Rica if it is to persuade other Central American nations to break with Taiwan. Late comers, however, will not prove so fortunate, Huang intoned, as the PRC cannot fund the needs of all Central American nations.

¶7. (C) The Director asked how Huang assesses relations with Nicaraguan President Daniel Ortega. Huang responded that President Chen and Ortega had spent a very pleasant hour and a half together when Chen visited Guatemala in January, possibly because the two have much in common as "country boys" and having spent years in the political opposition wilderness. Ortega told Chen that in Central America leader meetings, he speaks up for Taiwan and opposes switching relations, warning of PRC imperial ambitions in Central America. He urges his Central American neighbors to trade but not ally with the PRC and, thus, not reinforce its imperial ambitions in Central America. Ortega, Huang added, has an intimate understanding of the PRC.

¶8. (C) Relations with Haiti are "all right" for the time being, FM Huang told the Director. Huang had visited Haiti in the fall to try to convince President Preval to allow President Chen to visit. Huang noted that during his visit he had been deeply impressed with the extensive Taiwan assistance program in Haiti, consisting of much-needed hospitals, roads and other infrastructure. "We have done a good job" in Haiti, he said proudly. Over dinner, the president, "an old friend of Taiwan," explained that he had discussed a Chen visit several times with his cabinet but unfortunately would not be able to allow the visit out of concern for the peacekeeping operation. The Director responded that this is also of concern to the U.S., as

Haitian instability also affects the U.S., most immediately in the form of refugees.

... and the South Pacific

19. (C) Taiwan relations with its six South Pacific island allies are generally stable, Huang told the Director. He noted that Nauru President Stephen is currently visiting Taiwan, and said the Marshall Islands Foreign Minister is visiting Taiwan to prepare for Marshall President Tomeing's visit next month. The Solomon Islands, however, bear careful watching, Huang continued, explaining that some ethnic Chinese businessmen there are lobbying for relations with the PRC.

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Two-Month Danger Period for Taiwan Foreign Relations

10. (C) FM Huang told the Director that the period from the March 22 presidential election to the May 20 presidential inauguration will be the most dangerous time for Taiwan's foreign policy. Chen will still be President and Beijing could act to embarrass Chen at a time when the incoming president would not be held responsible. When the Director suggested that Beijing might want to tread carefully and give the new Taiwan president breathing space to restart cross-Straits negotiations, Huang argued that the PRC would not alter its campaign to isolate Taiwan even after May 20. Panama, moreover, is strategically important to China, and Beijing would not give up Panama even for Ma. On the contrary, Beijing sees things differently: squeezing Taiwan will make Taiwan more vulnerable and pliable at the negotiating table. Thus, Beijing will probably use the Olympics to impress and attract Taiwan's allies.

Compromise UN Referendum?

11. (C) FM Huang told the Director that the ruling DPP is particularly concerned about the negative consequences if both UN referenda fail, as G2-Qcs!ked how the U.S. might view a new, compromise, UN referendum. Noting that there has been much discussion of a new referendum but so far no movement, the Director stressed the U.S. continues to be concerned about any referendum that raises the issue of name change.

12. (C) The Director asked about the possibility of a presidential "defensive referendum," which has been reported in the press. How can there be a defensive referendum since there appears to be no immediate security threat to Taiwan, he asked, noting that the wording of the Referendum Law seems to require an imminent security threat for a presidential defensive referendum. "Oh," responded Huang, "you can always play with words" and, anyway, China is constantly squeezing Taiwan's international space so that there is always "a strategic reason" for such a referendum. The Director told Huang that he would raise the referendum issue with Legislative Yuan (LY) Speaker Wang Jin-pyng when they meet the same afternoon (to be reported septel). He said the U.S. would carefully consider any compromise referendum if it materializes but reiterated that the U.S. is concerned about any referendum or other move that involves name change or destabilizes the region. (Note: DPP presidential candidate Frank Huang has publicly reiterated his opposition to a defensive referendum, and the Taiwan press on February 20 quoted President Chen stating he would discuss this with, and take his lead from, candidate Hsieh.)

Kosovo

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¶13. (C) Referring to the U.S. recognition of Kosovo on Sunday, the Director stressed to FM Huang that the U.S. does not view Kosovo as a precedent for Taiwan. Huang responded that he agreed with Secstate statement that Kosovo is a special case, noting that he himself told the press "every case is special."

WHO

¶14. (C) The Director asked about Taiwan's thinking and planning for the May WHO meeting in Geneva, to which Huang replied that nothing has been decided. Noting the awkward timing for the meeting -- just one day after the May 20 presidential inauguration -- the Director asked if the Chen administration will coordinate with the president-elect on WHO, to which Huang responded he would have to discuss this with President Chen.

Comment

¶15. (C) FM Huang's report card centers on protecting Taiwan's remaining diplomatic partners, and he seems continually under stress over this responsibility. Though not surprising that he would predict no change in China's zero-sum approach following Taiwan's political transition this spring, we believe Beijing might want to back off as it assesses the prospects for more productive ties with the island's next leader.

YOUNG